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REMARKS

In the Office Action presently outstanding, claims 12, 14-17, 19, 20, 24-28, and 32 are pending. Claims 24 and 25 have been amended to even more clearly describe the claimed subject matter. New claims 33 and 34 have been added, support for which can be found, for example, on page 12, lines 13-17 of the specification. Upon entry of this amendment, claims 12, 14-17, 19, 20, 24-28, 32 34 will be pending. No new matter has been added via the foregoing amendments.

Applicant agrees with the Examiner that claims 12, 14-17, 19, 20, 26-28, and 32 are free of the cited art and allowable.

A Supplemental Information Disclosure Statement accompanies this filing. Applicant thanks the Examiner for his acknowledgement (in the April 11, 2003 Office Action) of the May 11, 2001 IDS (which Applicant re-submitted on January 22, 2003). Applicant requests, however, that an initialed copy of the 1449 form be returned to complete the files.

35 U.S.C. § 112, ¶ 1 Rejection

Claims 24 and 25 have been rejected under 35 U.S.C. § 112, ¶ 1, because those skilled in the art allegedly would not be able to practice the claimed methods. However, the available evidence indicates that those skilled in the art would not have any difficulty in this regard. In fact, the specification at, for example, page 11, line 29 through page 12, line 17 describes methods of preparing alginate beads that encapsulate producer cells. Applicant also questions the assertion that claims 24 and 25 are missing elements.

However, in an effort to advance prosecution of the present application and reserving the right to file a divisional application to pursue claims 24 and 25 as they stood prior to this communication, claims 24 and 25 have been amended to specifically recite the that the cell or cells express a molecule that is endostatin, angiostatin, thrombospondin, or prolactin. In addition, claims 24 has been amended to recite a "drop-wise manner".

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PATENT

Applicant believes that the foregoing represents a complete response to the Office Action, and Applicants respectfully submit that claims 12, 14-17, 19, 20, 24-28, 32 34 in their present form are in condition for allowance. Early and favorable consideration is earnestly solicited.

Date: September 29, 2004

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